

**Partial
Service
Retirement**



*California
Public
Employees'
Retirement
System*



Partial Service Retirement

Partial service retirement is a benefit available to State Miscellaneous, State Industrial, and public agency members (if your employer contracts for this benefit) who meet age and service requirements.

With partial service retirement, you can reduce your work time, continue working, and receive a “partial” service retirement allowance.

How It Works

If you are eligible, you may reduce your work time by at least 20 percent, but not more than 60 percent. In other words, you must work at least 40 percent of full time, but not more than 80 percent. Your agency must approve your request to reduce your work time for partial retirement.

Your allowance is based on the reduction of your work time. For example, if you reduce your work time by 30 percent (working 70 percent of full time), your allowance would be 30 percent of what you would receive if you took a full service retirement.

Once your partial service retirement begins, you may *decrease* your already-reduced work time once each fiscal year. You may *increase* your work time only once every five years.

With your employer’s approval, you may end your partial service retirement at any time and return to full-time employment. Once you withdraw, you cannot reapply for five years.

Eligibility Requirements

You are eligible for partial service retirement if:

- you are a full-time State Miscellaneous, State Industrial, or public agency member, *and*
- you are a State First Tier or public agency member at least age 50 with 20 years of State service, *or*
- you are a State Second Tier member at least age 55 with 20 years of State service, *or*
- you have met the minimum requirement for years of service credit and age at retirement, and your age and years of service total 65 years or more.

(University of California and California State University employees are not eligible for partial service retirement.)

How to Apply

Your Personnel Office has the necessary form, ***Partial Service Retirement Application*** (DPA-062). To ensure timely processing, submit your completed application to CalPERS at least 60 days before the effective date of partial retirement. The effective date must be the same date of your work time reduction and can be the first day of any pay period.

Remember, you must receive employer approval before you can apply.

Note: When corresponding with CalPERS be sure to include your Social Security and daytime telephone number on all written inquiries and documents.



Black Bear

Ursus americanus

Resides primarily in mountainous areas. Usually solitary, except the females with cubs. Eats berries, nuts, tubers, insects and their larvae, small mammals, eggs, honey, carrion, and garbage.

Can run up to 30 mph for short distances. May live up to 30 years or more.

Estimating Your Allowance

To estimate your partial service retirement allowance, you will need to know your years of service credit, benefit factor, and final compensation. Examples and space to estimate your allowance are on pages 6 and 7.

Service Credit

This is the amount of CalPERS-covered service you have earned. Refer to your latest CalPERS Annual Member Statement and add any service credit you have earned since that time.

Benefit Factor

Your benefit factor is the percentage of pay you are entitled to for each year of service. It is determined by your age at partial service retirement. Refer to your Member Benefit Booklet for your benefit factor table. This booklet is available through your employer, any CalPERS office, or on our web site.

Final Compensation

This is your average monthly pay rate for a one-year or consecutive three-year period of employment (whichever your agency has contracted for). You may elect a different one-year or consecutive three-year period if it produces a higher average monthly pay rate. If your CalPERS State First Tier or public agency service was coordinated with Social Security, you must reduce your final compensation by \$133.33 when computing your allowance. (You did not make contributions on the first \$133.33 of your earnings.)

If your CalPERS State First Tier or public agency service was not coordinated with Social Security, or you are a State Second Tier member, do not reduce your final compensation.

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Example Allowance Estimates

We have used the following information for our examples:

Age at partial service retirement	=	55
Years of service credit	=	25
Final compensation	=	\$3,000
Reduction of work time	=	40%

1. *State First Tier and Public Agency Members Coordinated with Social Security*

$$\frac{25}{\text{Service Credit}} \times \frac{2.000\%}{\text{Benefit Factor}} = \frac{50\%}{\text{Final Compensation}} \times \$2,866.67^*$$

2. *State First Tier and Public Agency Members Not Coordinated with Social Security*

$$\frac{25}{\text{Service Credit}} \times \frac{2.000\%}{\text{Benefit Factor}} = \frac{50\%}{\text{Final Compensation}} \times \$3,000$$

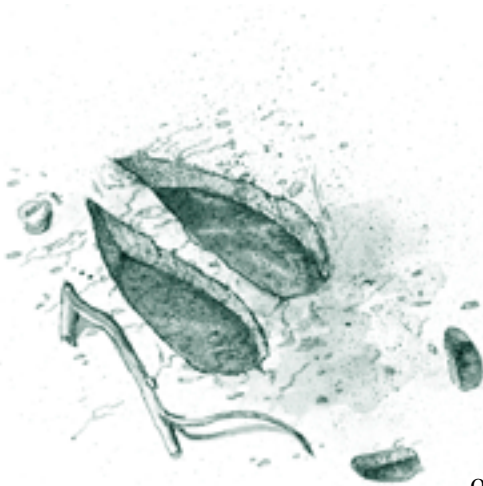
3. *State Second Tier Members*

$$\frac{25}{\text{Service Credit}} \times \frac{.750\%}{\text{Benefit Factor}} = \frac{18.75\%}{\text{Final Compensation}} \times \$3,000$$

4. *Your Case*

$$\frac{\quad}{\text{Service Credit}} \times \frac{\quad}{\text{Benefit Factor}} = \frac{\quad}{\text{Final Compensation}} \times \quad$$

* Remember, if your service was coordinated with Social Security, you must reduce your final compensation by \$133.33 when computing your allowance.



Mule Deer

Odocoileus hemionus

The mule deer occupies several types of habitat: coniferous forests, desert shrubs, chaparral, or grassland with shrubs. It is most active during mornings, evenings, and moonlit nights. Normal life span is about 16 years.

$$= \frac{\$1,433.34}{\text{Full Service Retirement Allowance}} \times \frac{40\%}{\text{Work Time Reduction}} = \frac{\$573.34}{\text{Partial Retirement Allowance}}$$

$$= \frac{\$1,500}{\text{Full Service Retirement Allowance}} \times \frac{40\%}{\text{Work Time Reduction}} = \frac{\$600}{\text{Partial Retirement Allowance}}$$

$$= \frac{\$562.50}{\text{Full Service Retirement Allowance}} \times \frac{40\%}{\text{Work Time Reduction}} = \frac{\$225}{\text{Partial Retirement Allowance}}$$

$$= \frac{\quad}{\text{Full Service Retirement Allowance}} \times \frac{\quad}{\text{Work Time Reduction}} = \frac{\quad}{\text{Partial Retirement Allowance}}$$

Other Considerations

Allowance Adjustments

Your partial service retirement allowance will be based on your age, salary, and service at the date of your initial entry into the program. A salary increase after entering the program will not change your partial service retirement allowance. If you increase or decrease your work time, your new allowance will be based on the original allowance. There are no provisions for cost-of-living increases for partial service retirement allowances.

Changing Jobs

You may transfer from one agency to another and continue your partial service retirement, with employer approval, as long as you remain a State Miscellaneous, State Industrial, or public agency member.

Separating from Employment

If you permanently separate from State or public agency employment, you cannot continue your partial service retirement. You may, however, apply for a full service retirement (see your CalPERS Member Benefit Booklet), terminate your CalPERS membership and receive a refund of your contributions plus interest, or leave your contributions on deposit with CalPERS and apply for retirement or a refund at some time in the future.

Full Service Retirement

You may apply for full service retirement at any time by submitting the retirement application in the ***Stepping into Retirement ... A Guide to Completing Your CalPERS Service Retirement Election Application*** booklet (PERS-PUB-43).

However, it is to your advantage to earn at least one year of service credit under partial retirement before doing so. Your full service retirement allowance will be calculated differently if you have less than one year of service credit under partial service retirement. You can also contact your nearest CalPERS Regional Office for an estimate and more information.

Note: Since your work time under partial service retirement is less than full time, it will take more than one fiscal year to earn one year of CalPERS service credit.

Retired Annuitant

If you want to decrease your work time to almost half, you may want to consider working as a retired annuitant. The law allows you to work almost half time and collect your full retirement allowance.

If you want to consider this alternative, please consult your employer. If your employer approves this request, contact CalPERS for more information.



Taxes

Only appropriate income taxes can be deducted from your partial service retirement allowance.

You will receive a 1099R form each year that reports the gross amount you have received as a partial retirement allowance for each tax year in which you participate.

CalPERS cannot advise you about the taxability of your partial service retirement allowance. CalPERS will send you a letter showing the amount of your contributions (including interest) set aside to help pay for your partial service retirement. You must contact the IRS, Franchise Tax Board, or your personal tax consultant to determine your tax liability.

Payroll Deductions

Any payroll deductions you have (health and life insurance premiums, union dues, credit union payments, deferred compensation, etc.) must be taken from your salary. If you have any questions regarding payroll deductions, contact your Personnel Office.

Health, Dental, and Long-Term Care Coverage

Your health, dental, and long-term care (if enrolled) coverage are not affected by partial service retirement. Remember, though, that any premium payments will be deducted from your salary and not from your partial retirement allowance.



Social Security

You may draw Social Security benefits while receiving your partial service retirement allowance; however, your earnings — salary and partial retirement allowance combined — may cause an offset to your Social Security benefits. Contact your local Social Security office for information.

Injury, Illness, or Leaves of Absence

If you are unable to perform your job because of an injury or illness, you may be eligible for disability retirement. For more information see the ***Guide to Completing Your Disability Retirement Election Application*** booklet (PERS-PUB-35).

If your injury or illness requires that you take a leave of absence or go on Non-Industrial Disability Leave, you can continue your partial service retirement with your employer's consent. You may also remain in the program if you require other types of leave. Contact your Personnel Office for information.



Provisions for Beneficiaries

There is no provision under partial service retirement to provide benefits to someone after your death. All death benefits payable will be paid in the same manner as active member pre-retirement death benefits. See your CalPERS Member Benefit Booklet for more information.

For More Information

If you have questions or need further information about Partial Service Retirement, please contact your nearest CalPERS Regional Office.

CalPERS Benefit Services Division

P.O. Box 942711

Sacramento, CA 94229-2711

(800) 352-2238

(916) 326-3240 – Telecommunications

Device for the Deaf

FAX: (916) 326-3934

CalPERS Regional Offices

Refer to ***Do You Have The Right Number?*** (PERS-PUB-19) for a directory of CalPERS Regional Office locations. (Addresses are also available on the CalPERS On-Line web site.)

CalPERS On-Line

www.calpers.ca.gov

While reading this material, remember that we are governed by the California Public Employees' Retirement Law. The statements in this booklet are general. The Retirement Law is complex and subject to change. If there is a conflict between the law and this booklet, any decisions will be based on the law and not this booklet.



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